

Message Text

LIMITED OFFICIAL USE

PAGE 01 ZAGREB 00923 071535Z

44

ACTION EUR-10

INFO OCT-01 ISO-00 EB-03 DRC-01 RSC-01 /016 W

----- 025906

P R 041333Z OCT 74

FM AMCONSUL ZAGREB

TO USDOC WASHDC PRIORITY

SECSTATE WASHDC 2748

INFO AMEMBASSY BELGRADE

USDA WASHDC

LIMITED OFFICIAL USE ZAGREB 0923

COMMERCE FOR MAJOR PROJECTS DIVISION

E.O. 11652: N/A

TAGS: BEXP, EPAP, YO

SUBJECT: MAJOR CROATIAN AGRICULTURAL PROCESSING PROJECTS

REF: BRLGRADE 4444, 10/3/73

SUMMARY: A LEADING CROATIAN AGRICULTURAL INVESTMENT PLANNER STATES THAT HE IS STILL INTERESTED IN RECEIVING REPLY ON PROPOSED MAJOR TOBACCO INVESTMENT PROJECT DISCUSSED WITH FORMER GOVERNOR ROBERT SCOTT OF NORTH CAROLINA DURING IOGA TRADE MISSION WHICH VISITED YUGOSLAVIA SEPTEMBER 1973 (SEE REFTEL PARA 4). PLANNER ALSO ADVISED THAT DECISION LIKELY SOON ON VUKOVAR SOYA BEAN PROCESSING PROJECT WITH US FIRM TOWER INTERNATIONAL STRONGLY IN RUNNING AGAINST KRUPP. HE FURTHER REQUESTED US FIRMS CAPABLE DELIVERING TECHNOLOGY/COMPLETE EQUIPMENT BE ALERTED NEW PROJECT BUILD SUGAR BEET PROCESSING PLANT AT VIROVITICA, DAILY CAPACITY 5000 TONS. COMMERCE REQUESTED TAKE PROMPT/APPROPRIATE ACTION ESPECIALLY ON TOBACCO PROJECT SINCE EMBASSY AND CONSULATE GENERAL REGARD FOLLOW THROUGH ON PROJECTS IDENTIFIED THROUGH TRADE MISSIONS PARTICULARLY IMPORTANT. END SUMMARY

1. IN CONVERSATION OCTOBER 2, 1974, DR. IVAN NOVAK, DIRECTOR, FOOD PROCESSING TECHNOLOGICAL INSTITUTE OF ZAGREB (ORGANIZATION ENGAGED IN INVESTMENT PLANNING), DISCUSSED THE FOLLOWING THREE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ZAGREB 00923 071535Z

MAJOR PROJECTS:

A. TOBACCO INVESTMENTS, NORTHWESTERN CROATIA: DR. NOVAK REGRETTED THAT HE HAD "NOT HEARD A WORD" FROM FORMER GOVERNOR OF NORTH CAROLINA ROBERT SCOTT, WHO DURING LAST YEAR'S NORTH CAROLINA TRADE MISSION HAD PROMISED TO ORGANIZE A PROPOSAL IN COLLABORATION WITH DUKE UNIVERSITY CONCERNING COMPLETE TECHNOLOGICAL PACKAGE FOR GROWING AND PROCESSING TOBACCO (FROM "SEED TO CIGARETTES") FROM 5000-ACRES PRODUCTION AREA. CROATIA'S INTEREST REMAINS VERY ACTIVE, ACCORDING NOVAK, WHO STATED HE PREPARED SEND 5-6 EXPERTS TO US "IMMEDIATELY" IF POSITIVE INTEREST SHOWN.

B. SOY BEAN PLANT AT VUKOVAR: THIS PROJECT NOW REPORTEDLY NEARING DECISION WITH US FIRM TOWER INTERNATIONAL (CYRUS EATON) OF CLEVELAND STRONGLY IN CONTENTION. OTHER MAJOR COMPETITOR KRUPP, WEST GERMANY, WITH ITALIAN AND FRENCH FIRMS ALSO IN FINAL RUNNING. ACCORDING NOVAK, PRICE SPREAD AMONG COMPETITORS NOT SIGNIFICANT. HE REGARDS ONLY STUMBLING BLOCK TO PROBABLE CHOICE OF TOWER IS AMERICAN FIRM'S REPORTED INSISTENCE ON INCLUDING \$250,000 ITEM FOR "OUTSIDE FEASIBILITY STUDY." NOVAK BELIEVES TOWER COULD ACHIEVE EFFECT DESIRED BY ASSIGNING SINGLE EXPERT TO WORK IN CONJUNCTION WITH NOVAK'S INSTITUTE (AT MUCH LOWER COST). SUCH ACTION WOULD LOWER PRICE AND ALSO COUNTERACT POSSIBLE PROPAGANDA ON BEHALF KRUPP THAT GERMANS POSSESS MORE CONFIDENCE THAN AMERICANS IN YUGOSLAVS' CAPABILITIES TO ASSESS PROJECT.

C. SUGAR BEET PROCESSING: NOVAK ADVISED THAT PLAN NOW TAKING DEFINITE SHAPE TO BUILD NEW BEET PROCESSING FACILITY AT VIROVITICA, DAILY CAPACITY 5000 TONS. OFFERS FROM AMERICAN FIRMS ABLE PROVIDE COMPLETE EQUIPMENT, LATEST TECHNOLOGY WOULD BE MOST WELCOME. ADDRESS: DR. IVAN NOVAK, "PREHRAMBENO-TEHNOLOSKI INSTITUT," JAGICEVA 31, 41000 ZAGREB.

2. ACTION REQUESTED:

A. THAT COMMERCE CONTACT FORMER GOVERNOR SCOTT RE STATUS TOBACCO PROPOSAL AND ADVISE SOONEST. (NOTE: VON DEN STEINEN RAISED SUBJECT WITH COUNTRY MARKETING MANAGER JOHNSON DURING JULY 1974 CONSULSTATION.)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ZAGREB 00923 071535Z

B. THAT COMMERCE CONTACT E.E. PETTY AT TOWER INTERNATIONAL AND PASS ON SUBSTANCE NOVAK'S REMARKS RE VUKOVAR.

C. THAT MAJOR AMERICAN COMPANIES POTENTIALLY INTERESTED BE ALERTED SUGAR BEET PROJECT AND URGED ESTABLISH PRELIMINARY CONTACT THROUGH DR. NOVAK.

DECLASSIFY UPON RECEIPT.

KAISER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ZAGREB00923
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740284-0031
From: ZAGREB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741070/aaaachqj.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: BRLGRADE 4444, 10/3/73
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUL 2002 by boyleja>; APPROVED <11 MAR 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR CROATIAN AGRICULTURAL PROCESSING PROJECTS
TAGS: BEXP, EPAP, YO
To: COM STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005